

STAND. COM. REP. NO.

1675

Honolulu, Hawaii

APR 23 2015

RE: H.C.R. No. 104  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Human Services and Housing, to which was referred H.C.R. No. 104, H.D. 2, entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING AN AUDIT OF THE  
DEPARTMENT OF HUMAN SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Auditor to have an audit conducted of the Department of Human Services, including its Med-QUEST Division and the Kuahale On-Line Eligibility Assistance (KOLEA) System, the eligibility determination system of the Division.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee finds that KOLEA is the Department of Human Services' updated Medicaid integrated eligibility system for the Med-QUEST Division. KOLEA replaces a very old eligibility system and is intended to advance Hawaii's Medicaid system by offering applicants the option to submit applications online. Your Committee notes that KOLEA was built with ninety percent federal funding. Although KOLEA had significant technical difficulties, many of the difficulties were resolved and KOLEA processed approximately 330,000 Medicaid renewals and applications in its first year of operation. Your Committee further finds that the Legislature is interested in whether public funds were used in an effective and efficient manner, in fulfillment of the intended

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objectives. Therefore, your Committee requests an audit to examine the procurement process of KOLEA, examine whether the system met its objectives, and make recommendations for improving the Department's large information technology systems.

Your Committee has amended this measure by:

- (1) Inserting language requesting the Department of the Attorney General to conduct the audit;
- (2) Inserting a provision indicating that the Department of Human Services will pay up to \$100,000 for the audit; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 104, H.D. 2, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 104, H.D. 2, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services and  
Housing,

  
SUZANNE CHUN OAKLAND, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Human Services and Housing**  
**HSH**

|   |  |   |     |         |
|---|--|---|-----|---------|
| Bill / Resolution No.:*<br><div style="font-size: 1.2em; font-family: cursive;">HCR 104, HD2</div>  | Committee Referral:<br><div style="font-size: 1.2em; font-family: cursive;">HSH, WAM</div> | Date:<br><div style="font-size: 1.2em; font-family: cursive;">4/14/13</div> |     |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____   |  |   |     |         |
| The Recommendation is:<br><div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended<br/>2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments<br/>2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold<br/>2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit<br/>2313         </div> </div> |  |   |     |         |
| Members   | Aye  | Aye (WR)  | Nay | Excused |
| CHUN OAKLAND, Suzanne (C)   | ✓  |   |     |         |
| GREEN, Josh (VC)  |  |   |     | ✓       |
| HARIMOTO, Breene  | ✓  |   |     |         |
| RIVIERE, Gil  | ✓  |   |     |         |
| SLOM, Sam   |  |   |     | ✓       |
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| <b>TOTAL</b>  | 3  |   |     | 2       |
| Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted           <input type="checkbox"/> Not Adopted         </div>   |  |   |     |         |
| Chair's or Designee's Signature:<br><div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Breene Harimoto</div>  |  |   |     |         |
| <b>Distribution:</b> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>Original<br/>File with Committee Report</div> <div>Yellow<br/>Clerk's Office</div> <div>Pink<br/>Drafting Agency</div> <div>Goldenrod<br/>Committee File Copy</div> </div>  |  |   |     |         |

\*Only one measure per Record of Votes